

Financial crisis in States

2499. SHRI SANJAY RAUT: Will the PRIME MINISTER be pleased to state:

- (a) whether it is a fact that various State Governments are unable to spend much on social and infrastructure development of their respective State as they are facing acute financial crisis;
- (b) if so, Government's reaction thereto;
- (c) whether Government are considering any structured and transparent approach to lessen the burden to debt on various States so they can increase their expenditure and investments on infrastructure and social sectors like power, irrigation, roads, tourism, rural development etc.;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) and (b) No, Sir. Does not arise.

(c) to (e) Yes Sir, In order to lessen the debt burden of the States, they have been provided with incentives to enact Fiscal Responsibility and Budget Management (FRBM) Act with specific annual targets with a view to eliminating the revenue deficit by 2008-09 and reducing fiscal deficits based on a path for reduction of borrowings and guarantees. Enacting of FRBM Act on stipulated lines makes a State eligible for debt relief. The Central loans to States contracted till 31.3.2004 and outstanding on 31.3.2005 are to be consolidated and rescheduled for a fresh term of 20 years resulting in repayment in 20 equal instalments at a lower interest rate of 7.5%.

A debt write-off scheme linked to the revenue deficit of States has also been envisioned. Under the scheme repayments due from 2005-06 to 2009-10 on Central loans contracted up to 31.3.2004 and recommended to be consolidated, will be eligible for write-off.

Initiatives for north-east in eleventh plan

2500. SHRIMATI SYEDA ANWARA TAIMUR: Will the PRIME MINISTER be pleased to state?

- (a) whether it is a fact that the North-East would get some special incentives in the Eleventh Plan which is going to begin from the next fiscal year; and

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(b) if so, the details of special incentives?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) and (b) National Development Council has given its approval to the approach to the 11th Five Year Plan in its meeting held on 9.12.2006. The approach to the 11th Plan has recognized the special problems of the North East Region such as its geographical location, inadequacy of physical infrastructure, low level of entrepreneurship, etc.

BPL people in Bihar and Maharashtra

2501. SHRI TARIQ ANWAR: Will the PRIME MINISTER be pleased to state:

- (a) the number of people living below poverty line in Bihar and Maharashtra; and
- (b) the funds provided by Government to Bihar and Maharashtra under Rashtriya Sam Vikas Yojana during the financial year 2005-06?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN): (a) The Planning Commission estimates the incidence of poverty at national and state level from the large sample survey on household consumer expenditure conducted by the National Sample Survey Organization (NSSO) at an interval of approximately five years following the methodology contained in the Report of the Expert Group of Estimation of Proportion and Number of Poor. The latest estimate of poverty is available for the year 1999-2000 based on the large sample survey of consumer expenditure data of the 55th Round of NSS. According to this, 425.64 lakh persons in undivided Bihar and 227.99 lakh persons in Maharashtra lived below the poverty line in 1999-2000.

(b) The funds provided by the Central Government to Bihar and Maharashtra under Rashtriya Sam Vikas Yojana during the financial year 2005-06 are Rs. 671.02 crore and Rs. 60.00 crore respectively.

Fund for water supply scheme in Kerala

2502. SHRI A. VIJAYARAGHAVAN: Will the PRIME MINISTER be pleased to state:

- (a) whether competent Authority has been granted fund for water supply scheme in Kerala State under the Prime Minister Grameen Yojana Scheme (PMGY);